



Billing Code 3410-05-P

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Domestic Sugar Program: Overall Allotment Quantity and Marketing Allotments

AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA.

ACTION: Notice.

SUMMARY: The Farm Service Agency (FSA) on behalf of the Commodity Credit Corporation (CCC) is issuing this notice to publish the sugar Overall Allotment Quantity (OAQ), beet and cane sugar marketing allotments, and processor allocations for fiscal year (FY) 2016 (October 1, 2015—September 30, 2016), as well as a summary of the OAQ's, sugar marketing allotments, and allocations for FY 2015 and FY 2014. Although the actions in this notice have already been announced through United States Department of Agriculture (USDA) news releases, each determination establishing, adjusting, or suspending sugar marketing allotments issued by the Secretary is required by the Agricultural Adjustment Act of 1938, as amended, to be published in the Federal Register.

DATES: Effective: **[Insert date of publication in the FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Barb Fecso, telephone: (202) 720-4146. Persons with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720-2600 (voice).

SUPPLEMENTARY INFORMATION:

Initial FY 2016 OAQ, State Allotments, and Processor Allocations

Section 359c of the Agricultural Adjustment Act of 1938 (Pub. L. 75-430), as amended, (7 U.S.C. 1359cc) requires that the OAQ be established at not less than 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year, and that fixed percentages of the OAQ be assigned to the beet sector and cane sector, and further allocated to the States in the cane sector. In a September 29, 2015 news release, CCC established the FY 2016 (2015-crop year) OAQ at the minimum quantity of 10,093,750 short tons, raw value (STRV). CCC distributed the FY 2016 beet sugar allotment of 5,485,953 STRV (54.35 percent of the OAQ) to the beet sugar processors and the cane sugar allotment of 4,607,797 STRV (45.65 percent of the OAQ) to the sugarcane states and processors.

The FY 2016 (2015-crop year) beet sugar and cane sugar marketing allotments and allocations to date are listed in the following table:

| FY 2016 OVERALL BEET/CANE ALLOTMENTS AND ALLOCATIONS | |
|--|--------------------------|
| Distribution | Initial FY16 Allocations |
| Date of Announcement | September 29, 2015 |
| Beet Sugar | 5,485,953 |
| Cane Sugar | <u>4,607,797</u> |
| TOTAL OAQ | 10,093,750 |
| BEET PROCESSORS' MARKETING ALLOCATIONS: | |
| Amalgamated Sugar Co. | 1,174,584 |
| American Crystal Sugar Co. | 2,017,406 |
| Michigan Sugar Co. | 566,565 |
| Minn-Dak Farmers Co-op. | 380,994 |
| So. Minn Beet Sugar Co-op. | 740,429 |
| Western Sugar Co. | 560,041 |
| <u>Wyoming Sugar Growers, LLC</u> | <u>45,935</u> |
| TOTAL BEET SUGAR | 5,485,953 |
| STATE CANE SUGAR ALLOTMENTS: | |
| Florida | 2,344,636 |
| Louisiana | 1,813,839 |
| Texas | 203,823 |
| <u>Hawaii</u> | <u>245,499</u> |
| TOTAL CANE SUGAR | 4,607,797 |
| CANE PROCESSORS' MARKETING ALLOCATIONS: | |
| Florida | |
| Florida Crystals | 965,348 |
| Growers Co-op. of FL | 421,765 |
| <u>U.S. Sugar Corp.</u> | <u>957,522</u> |
| TOTAL | 2,344,636 |
| Louisiana | |
| Louisiana Sugar Cane Products, Inc. | 1,259,225 |
| <u>M.A. Patout & Sons</u> | <u>554,615</u> |
| TOTAL | 1,813,839 |
| Texas | |
| Rio Grande Valley | 203,823 |
| Hawaii | |
| Hawaiian Commercial & Sugar Company | 245,499 |

FY 2015 OAQ, State Allotments, and Processor Allocations

On September 26, 2014, CCC announced the initial FY 2015 OAQ of 9,987,500 STRV, the distribution of the FY 2015 beet sugar allotment of 5,428,206 STRV (54.35 percent of the OAQ) to sugar beet processors, and the distribution of the 4,559,294 STRV cane sugar allotment (45.65 percent of the OAQ) to sugarcane states and processors.

In mid-year, CCC reviewed current inventories, estimated production, expected marketings, and other factors affecting each sugar beet or sugarcane processor's ability to market its full allocation. On May 4, 2015 CCC announced an increase in the FY 2015 OAQ to 10,080,150 STRV, which was 85 percent of the estimate for domestic human consumption published in the April 2015 World Agricultural Supply and Demand Estimates Report (WASDE). CCC also announced the reassignment of projected surplus beet sugar and cane sugar marketing allotments and allocations under the FY 2015 Sugar Marketing Allotment Program. The reassignment, which transferred allocations from processors with surplus allocation to processors with deficit allocation, was expected to increase the available supply of domestically-produced refined beet sugar.

As part of the domestic Sugar Program, CCC is required to reassign allocation to raw cane sugar imports if it is determined that processors will be unable to market their allocations and there is no CCC inventory. Data supplied by the processors in April 2015 indicated that the beet sugar sector would be unable to market 400,000 STRV of its current sugar marketing allotment, while the raw cane sugar sector would be unable to market 600,000 STRV of its sugar marketing allotment. Therefore, the allotments were reduced to 5,078,562 STRV for beet sugar and 4,001,588 STRV for cane sugar, while

1,000,000 STRV was reassigned to raw cane sugar imports already displayed in the WASDE report. This reassignment to imports was merely an accounting effort to comply with Sugar Program requirements as specified in 7 U.S.C. 1359ee and was not an increase in the raw sugar tariff-rate quota.

On August 28, 2015, CCC announced a second reassignment of projected FY 2015 surplus beet sugar marketing allocation among beet processors and a reassignment of projected surplus cane sugar marketing allocation among cane processors. CCC transferred beet sugar marketing allocations from beet sugar processors with surplus allocation to another beet processor requiring more allocation to market its record high crop. Similarly, CCC transferred cane sugar marketing allocation from two sugar processors in Florida with surplus allocation to another processor requiring more allocation to market its larger-than-expected crop.

The FY 2015 (2014-crop) beet sugar and cane sugar marketing allotments and allocations are listed in the following table:

| FY 2015 OVERALL BEET/CANE ALLOTMENTS AND ALLOCATIONS | | | | | | | | |
|--|--------------------------|---|-------------------------------|-------------------------|----------------------|----------------------------|-------------------------------|----------------------|
| Distribution | Initial FY15 Allocations | Change in OAQ Due to Change in Food Use | Reassignment Among Processors | Reassignment to Imports | Adjusted Allocations | Reassignment Within States | Reassignment Among Processors | Adjusted Allocations |
| Date of Announcement | September 26, 2014 | May 4, 2015 | | | | August 28, 2015 | | |
| Beet Sugar | 5,428,206 | 50,355 | 0 | (400,000) | 5,078,562 | - | - | 5,078,562 |
| Cane Sugar | 4,559,294 | 42,295 | 0 | (600,000) | 4,001,588 | - | - | 4,001,588 |
| Reassignment to Raw Cane Sugar Imports | 0 | 0 | 0 | 1,000,000 | 1,000,000 | - | - | 1,000,000 |
| TOTAL OAQ | 9,987,500 | 92,650 | 0 | 0 | 10,080,150 | - | - | 10,080,150 |
| BEET PROCESSORS' MARKETING ALLOCATIONS: | | | | | | | | |
| Amalgamated Sugar Co. | 1,162,220 | 10,781 | -29,979 | -71,320 | 1,071,703 | - | (2,770) | 1,068,933 |
| American Crystal Sugar Co. | 1,996,116 | 18,565 | -75,752 | -180,217 | 1,758,711 | - | (11,701) | 1,747,010 |
| Michigan Sugar Co. | 560,601 | 5,200 | 121,322 | 0 | 687,124 | - | 31,896 | 719,020 |
| Minn-Dak Farmers Co-op. | 376,983 | 3,497 | 44,520 | 0 | 425,000 | - | (4,025) | 420,975 |
| So. Minn Beet Sugar Co-op. | 732,635 | 6,796 | -58,187 | -138,428 | 542,816 | - | (5,319) | 537,497 |
| Western Sugar Co. | 554,200 | 5,093 | -4,218 | -10,034 | 545,042 | - | (7,555) | 537,487 |
| Wyoming Sugar Growers, LLC | 45,451 | 422 | 2,294 | 0 | 48,167 | - | (527) | 47,640 |
| TOTAL BEET SUGAR | 5,428,206 | 50,355 | 0 | -400,000 | 5,078,562 | - | - | 5,078,562 |
| STATE CANE SUGAR ALLOTMENTS: | | | | | | | | |
| Florida | 2,318,566 | 22,732 | 0 | -332,253 | 2,009,046 | - | - | 2,009,046 |
| Louisiana | 1,793,672 | 17,586 | 0 | -201,973 | 1,609,285 | - | - | 1,609,285 |
| Texas | 201,557 | 1,976 | 0 | -57,275 | 146,258 | - | - | 146,258 |
| Hawaii | 245,499 | 0 | 0 | -8,499 | 237,000 | - | - | 237,000 |
| TOTAL CANE SUGAR | 4,559,294 | 42,295 | 0 | -600,000 | 4,001,588 | - | - | 4,001,588 |
| CANE PROCESSORS' MARKETING ALLOCATIONS: | | | | | | | | |
| Florida | | | | | | | | |
| Florida Crystals | 954,615 | 9,360 | 0 | -210,252 | 753,723 | (17,376) | - | 736,347 |
| Growers Co-op. of FL | 417,076 | 4,089 | 0 | -25,825 | 395,341 | (2,134) | - | 393,206 |
| U.S. Sugar Corp. | 946,876 | 9,284 | 0 | -96,177 | 859,983 | 19,510 | - | 879,493 |
| TOTAL | 2,318,566 | 22,732 | 0 | -332,253 | 2,009,046 | - | - | 2,009,046 |
| Louisiana | | | | | | | | |
| Louisiana Sugar Cane Products, Inc. | 1,245,224 | 12,209 | 0 | -168,664 | 1,088,768 | - | - | 1,088,768 |
| M.A. Patout & Sons | 548,448 | 5,377 | 0 | -33,308 | 520,517 | - | - | 520,517 |
| TOTAL | 1,793,672 | 17,586 | 0 | -201,973 | 1,609,285 | - | - | 1,609,285 |
| Texas | | | | | | | | |
| Rio Grande Valley | 201,557 | 1,976 | 0 | -57,275 | 146,258 | - | - | 146,258 |
| Hawaii | | | | | | | | |
| Hawaiian Commercial & Sugar Company | 245,499 | 0 | 0 | -8,499 | 237,000 | - | - | 237,000 |

FY 2014 OAQ, State Allotments, and Processor Allocations

On August 30, 2013, CCC announced the initial FY 2014 OAQ of 9,843,000 STRV, the distribution of the FY 2014 beet sugar allotment of 5,349,671 STRV (54.35 percent of the OAQ) to sugar beet processors, and the distribution of the 4,493,330 STRV cane sugar allotment (45.65 percent of the OAQ) to sugarcane states and processors.

In a May 30, 2014 news release, CCC announced the reassignment of projected surplus beet sugar and cane sugar marketing allotments and allocations under the FY 2014 Sugar Marketing Allotment Program. The reassignment, which transferred allocations from processors with surplus allocation to processors with deficit allocation, was expected to increase the supply of domestically-produced sugar.

Data supplied by the processors indicated that the beet sugar sector would be unable to market 100,000 STRV of its sugar marketing allotment, while the raw cane sugar sector would be unable to market 550,000 STRV of its sugar marketing allotment. Hence, the allotments were reduced to 5,249,671 STRV for beet sugar and 3,943,330 STRV for cane sugar, while 650,000 STRV was reassigned to raw cane sugar imports already expected in the WASDE report. This reassignment to imports was merely an accounting effort to comply with the Sugar Program requirements as specified in 7 U.S.C. 1359ee and was not an increase in the raw sugar tariff-rate quota.

The FY 2014 (2013-crop) beet sugar and cane sugar marketing allotments and allocations are listed in the following table:

| FY 2014 OVERALL BEET/CANE ALLOTMENTS AND ALLOCATIONS | | | | |
|--|---------------------------|--------------------------------|-------------------------|----------------------|
| Distribution | Initial FY 14 Allocations | Reassignments Among Processors | Reassignment to Imports | Adjusted Allocations |
| Date of Announcement | August 30, 2013 | May 29, 2014 | | |
| Beet Sugar | 5,349,671 | | (100,000) | 5,249,671 |
| Cane Sugar | 4,493,330 | | (550,000) | 3,943,330 |
| Reassignment to Imports of Raw Cane Sugar | - | | 650,000 | 650,000 |
| TOTAL OAQ | 9,843,000 | | - | 9,843,000 |
| BEET PROCESSORS' MARKETING ALLOCATIONS: | | | | |
| Amalgamated Sugar Co. | 1,145,405 | (68,408) | (37,305) | 1,039,693 |
| American Crystal Sugar Co. | 1,967,161 | (34,459) | (18,791) | 1,913,912 |
| Michigan Sugar Co. | 552,490 | 107,128 | - | 659,618 |
| Minn-Dak Farmers Co-op. | 371,529 | 76,249 | - | 447,778 |
| So. Minn Beet Sugar Co-op. | 722,035 | (75,606) | (41,230) | 605,200 |
| Western Sugar Co. | 546,256 | (134) | (73) | 546,050 |
| Wyoming Sugar Growers, LLC | 44,794 | (4,771) | (2,602) | 37,421 |
| TOTAL BEET SUGAR | 5,349,671 | - | (100,000) | 5,249,671 |
| STATE CANE SUGAR ALLOTMENTS: | | | | |
| Florida | 2,283,112 | (22,051) | (411,110) | 1,849,951 |
| Louisiana | 1,766,244 | (6,044) | (112,681) | 1,647,519 |
| Texas | 198,475 | (1,406) | (26,209) | 170,860 |
| Hawaii | 245,499 | 29,501 | - | 275,000 |
| TOTAL CANE SUGAR | 4,493,330 | - | (550,000) | 3,943,330 |
| CANE PROCESSORS' MARKETING ALLOCATIONS: | | | | |
| Florida | | | | |
| Florida Crystals | 940,017 | (12,711) | (236,976) | 690,330 |
| Growers Co-op. of FL | 410,698 | (3,543) | (66,055) | 341,100 |
| U.S. Sugar Corp. | 932,397 | (5,797) | (108,079) | 818,521 |
| TOTAL | 2,283,112 | (22,051) | (411,110) | 1,849,951 |
| Louisiana | | | | |
| Louisiana Sugar Cane Products, Inc. | 1,226,182 | (4,826) | (89,968) | 1,131,388 |
| M.A. Patout & Sons | 540,061 | (1,218) | (22,712) | 516,131 |
| TOTAL | 1,766,244 | (6,044) | (112,681) | 1,647,519 |
| Texas | | | | - |
| Rio Grande Valley | 198,475 | (1,406) | (26,209) | 170,860 |
| Hawaii | | | | |
| Hawaiian Commercial & Sugar Company | 245,499 | 29,501 | - | 275,000 |

Authority: 15 U.S.C. 714b and 7 U.S.C. 1359hh(c).

Val Dolcini,
Administrator,
Farm Service Agency, and
Executive Vice President,
Commodity Credit Corporation.

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